THE MINISTER OF COMMERCE WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI SUBRAMANIAN SWAMY): (a) Yes, Sir.

(b) As the State is presently under President's rule, a decision for aolding elections to the Legislative Assembly of Tamil Nadu will be taken at appropriate time, keeping in view the situation obtaining in the State.

Commerce Minister's Meeting with an Israeli Minister

1034. SHRI MURLIDHAR CHANDRAKANT BHANDARE:

SHRI MAHENDRA PRASAD:

Will the Minister of COMMERCE be pleased to state:

(a) whether during his recent visit to Brussels he had a meeting with an Israel Minister; and

(b) if so what are re details in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) and (b) No official meeting took place between the Indian and Israeli delegation at any level during Commerce Minister's visit to Brussels. However, as the sitting arrangement in international conferences are in alphabetical order and consequently the Indian and Israeli delegation were seated near each other, conversation between the Commerce Minister and his Israeli counterpart was inevitable. We do not maintain any official level contact with Israeli and have no trade issue to discuss with Israel.

Rationalisation of Subsidy System

1035. SHRI MURLIDHAR CHANDRAKANT BHANDARE:

DR. JINENDRA KUMAR; JAIN:

SHRI BAL RAM SINGH YADAVA: SHRI MAHENDRA PRASAD: SHRI ATAL BIHARI VAJPAYEE: SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether inaugurating a national semi nar on employment in New Delhi, on Jan uary 14, 1991, he observed that while sub sidies were responsible for the mounting budgetary deficit, the whole system of sub sidies was geared for the rich;

(b) if so, what steps are being taken/ have been taken to rationalise the system of subsidies to ensure that the benefits of the system reach the poor and marginal farmers; and

(c) how far and in what respects subsidies are proposed to be reduced or with' drawn?

THE FINANCE MINISTER (SHRI YASHWANT SINHA): (a) to (c) As indicated in Para 18 of the speech of the Minister of Finance, while presenting the interim Budget for 1991-92 on 4th March 1991, rationalisation of the expenditure of subsidies is essential for fiscal consolidation. As a first step the budgetary allocations for the major subsidies on exports, fertilizers and food have been reduced from Rs. 9550 crores in RE 1990-91 to Rs. 8616 crores in BE 1991-92. The desired objectives are to be attained within these allocations by better targeting of subsidies for the poor and the needy, combined with an improvement in management.

Excise duty exemption on tractors

1036. SHRI PASUMPON THA. KIRUTTINAN: Will the Minister of FINANCE be pleased to state:

(a) whether agricultural tractors are exempted form excise duty;

(b) if so, what were the prices of dif ferent types of tractors and the extent of excise duty exemption granted during the last three years; and

(c) whether the prices of tractors are fix ed by Government; if not, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINIS-

TRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Tractors of engine capacity not exceeding 1800 cc are fully exempted from excise duty. Tractors of engine capacity exceeding 1800 cc attract an excise duty of 15. 75 per cent *ad valorem*^

(b) and (c) The prices of tractors are not fixed by the Government is there is sufficient competition in the tractor industry to keep a check on the sirices. There has been no change in the extent of excise duty exemption on tractors during the last three years. The market prices of tractors for the last three years are as under: —

	Prices of tractors (Rs. in thousands)		
Month & Year	25 H. P.	35 H. P.	45 H. P.
April, '88	86	105	114
April, '89.	93	115	125
April, '90.	103	129	142

The above information on prices is illustrative. In the absence of price control, the prices of tractors vary according to the manufacturing costs of different models.

Effect of Curbs by United States on Indian Exports

1037. SHRI V. NARAYANASAMY:
SHRI SHIV PRATAP MISHRA:
SHRI SURESH PACHOURI:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware that the varification imposed by tre United States on Indian exports is cajsin^ hardship to the exporters and that there is curb on investment flows between India and the United States;

(b) whehter Government hav; taken up the issue with the United States Government;

(c) if so, what is the reaction of the United States Government thereto; and

(d) by when a final decision is likely to be taken in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) Government is not aware of any cuibii On investment flows of any verification requirements on Indian exports imposed by the US Government. Investment flows to and from India are regulated by the Foreign Exchange Regulation Act and policies prevailing from time to time.

(b) to (d) At the Indo-US Economic and Commercial Sub-commission held in Washington in April, 1990 the Indian delegation mentioned a number of impediments that still exist on Indian exports, including countervailing duties and antidumping investigations, textiles quotas and health and sanitary regulations. The US delegation pointed out that Indian Government (policies land practices 'severely restrict potential Us investment. Both delegations agreed to look into these issues further.

Similar matters are also being discussed multilaterally in the Uruguay Round of negotiations. The Round was expected to be completed by December, 1990 but has had to be extended. It is not possible to say when these negotiations would be completed.

Cotton Export

1038. SHRI V. NARAYANASAMY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that his Minister have turned down the proposal foe export of cotton to other countries;.